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January 19, 2022

BY ELECTRONIC FILING

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
45 L Street NE  
Washington, DC 20554

Re: Notice of Proposed Rulemaking (NPRM) on FM Broadcast Booster Stations, MB Docket No. 20-401, RM-11854; Modernization of Media Initiative, MB Docket No. 17-105

Dear Ms. Dortch:

The above-captioned proposed rule change would allow FM radio broadcasters to *voluntarily* geo-target content to specific zones of their coverage area, for a small percentage of the broadcast hour. This non-mandatory rule change, which would put FM radio broadcasters on par with *every other* media platform (including TV broadcasters<sup>1</sup>), has, somewhat remarkably, received vigorous but unsubstantiated opposition from some of the largest companies in the radio industry, who collectively resist the effort to enable radio broadcasters the ability to geo-target content — that is, to do what *every other* form of media has done for years. The stated reason for their opposition is that this practice somehow will not be good for the industry, but their business practices tell a different story. GeoBroadcast Solutions submits this letter to inform the Commission that the primary voice behind these allegations, iHeart Media (“iHeart”), a company that owns more than 860 radio stations across the country and has multiple stations in

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<sup>1</sup> See, e.g., “NextGen TV Survey Details What Consumers Want in Emergency Information,” *TV Technology* (Jan. 13, 2022), available at: <https://www.tvtechnology.com/news/nextgen-tv-survey-details-what-consumers-want-in-emergency-information>. The NextGen TV survey found that: “On the top of the list, almost two-thirds said they wanted ‘the ability to receive geo-targeted alerts,’ while more than half wanted ‘the ability to select only the alerts they want to receive,’ and ‘the ability to opt into a constantly updated stream of emergency information.’”. The ability for TV broadcasters to geo-target is an important part of the ATSC 3.0 Transition and Implementation Guide, which highlights the ability to “geotarget news, weather, and other programming.” ATSC 3.0 Transition and Implementation Guide (Version 2.0), GatesAir (May 11, 2017), at 3, available at: <https://go.gatesair.com/ATSC-30-Impl-Guide-Download.html>.

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over 60% of the U.S. radio markets,<sup>2</sup> today offers a service *available to only iHeart's stations* that enables advertisers to do exactly the same thing, namely, offer advertisers the ability to geo-target their including in larger markets.<sup>3</sup>

To set the context, let's review the record. The iHeart Reply Comments claim that a geo-targeted advertising service would "risk splintering the local advertising market and crippling local radio stations at the worst possible moment for the industry."<sup>4</sup> But let's look at the fact on the ground. Today, iHeart offers to advertisers a service called "iHeart AdBuilder," which lets ad buyers purchase ads on iHeart stations.<sup>5</sup> One core feature of iHeart AdBuilder is that it prompts new and existing advertisers to select communities, on a map, where they *would like to target their ads* as one of the first steps in the process of creating an ad.

When an ad buyer creates their account, they are immediately asked: "Where do you want to reach people?". Thus, the iHeart AdBuilder site requires users to select one to three communities where they would like to target their ads before they are permitted to reach other key stages in the ad buying process, such as uploading the content of an ad or entering a budget. Specifically, this page provides users a search bar to search for a particular city and, if that city is covered by an iHeart station, the user may select it. Below the search bar, this page contains a map of the region selected demonstrating the coverage area for that city. As users enter multiple cities, the map will display each relevant coverage area, and if the areas are close enough, show how each selection may overlap. For example, if a user selects Washington, DC and Baltimore, MD, the map will show a coverage area for each city and the ensuing overlap in cities such as Silver Spring, MD. After users select the desired geographic reach of their ad, users select a target "customer profile," such as "foodies" or "single adults."

On the next page, iHeart AdBuilder uses the selections provided to generate a campaign and provide the user metrics for that campaign based on their budget. These metrics include a

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<sup>2</sup> The radio industry uses Nielsen radio markets instead of DMAs. Per Nielsen, there are 253 radio markets. This fact demonstrates the importance of smaller geographies in the radio business.

<sup>3</sup> iHeart Media, "Our Stations," <https://www.iheartmedia.com/stations> ("With more than 860 live broadcast stations in 153 markets across America, there's an iHeartRadio station where you live. Discover how our stations can deliver your message live and local to your community.").

<sup>4</sup> Reply Comments of Beasley Media Group, LLC, Cumulus Media New Holdings Inc., Entercom Communications, Corp., iHeartCommunications, Inc., New York Public Radio, Salem Media Group, Inc., *Amendment of Section 74.1231 (i) of the Commission's Rules on FM Broadcast Booster Station*, MB Docket No. 20-401, RM-11854 (Mar. 12, 2021), at 21 ("iHeart Reply Comments") *quoting* Comments of Connoisseur Media and Neuhoof Communications, *Amendment of Section 74.1231 (i) of the Commission's Rules on FM Broadcast Booster Station*, MB Docket No. 20-401, RM-11854 (Feb. 10, 2021), at 3-4.

<sup>5</sup> iHeart AdBuilder, [https://www.iheartadbuilder.com/?gclid=Cj0KCQiA8vSOBhCkARIsAGdp6RSk-3Kj-bZgeSjDEb6ZZvp5mpi04gOvqp7avFi2OEv3NhcWnQwzjWQaAsVWEALw\\_wcB](https://www.iheartadbuilder.com/?gclid=Cj0KCQiA8vSOBhCkARIsAGdp6RSk-3Kj-bZgeSjDEb6ZZvp5mpi04gOvqp7avFi2OEv3NhcWnQwzjWQaAsVWEALw_wcB).

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range of the estimated total impressions, estimated total reach (unique listeners who will hear the ad), and estimated total frequency (average number of times a particular listener will hear the ad). Users will find that changing the geographic regions selected will increase or decrease the metrics provided, indicating differences in the price of spots in each area.

iHeart AdBuilder not only requires advertisers to select the geographic market for their ads, *it offers them advice on how to target their advertisements and minimize their ad spend*, as well as tools to they can use to do it. In a post aimed at “small businesses” on its blog, iHeart provides readers advice on how to optimally minimize their ad spend, *in part through effective geo-targeting*:

If you don’t want to advertise nationally you can select up to 3 individual markets to advertise in. From there, you’ll select your target audience and pick a weekly budget. AdBuilder will show you the minimum budget options for the market(s) you selected, our suggested budget, and the option to enter a custom budget. Weekly budgets start as low as \$100 - \$200 depending on the market you select for your campaign.

*Once approved, our technology platform will use data to determine when and where to play your ad to target the right listeners based on your selected target audience.*<sup>6</sup>

How is iHeart able to do this? In more than 150 out of 253 U.S. radio markets, iHeart owns multiple stations (like in the Baltimore-DC corridor).<sup>7</sup> This means that iHeart can provide a solution in which an advertiser may target specific stations at the sub-radio market level.

Given the broader media industry’s current targeted media environment, there is nothing surprising about iHeart AdBuilder. What is remarkable is that iHeart, which owns more than 860 radio stations across the country (and multiple stations in more than 150 audio markets) and can offer this geo-targeted service given its huge warehouse of radio stations, actively opposes a technical rule change which would allow smaller FM broadcasters to offer targeting opportunities in iHeart’s markets similar to those that iHeart can offer by sheer size and scope.

In light of this current offering, the Commission should view skeptically claims from iHeart and its allies that geo-targeting content could create negative economic consequences for broadcasters. The disconnect between the iHeart AdBuilder website and the rhetoric from iHeart and its allies simply reveals the thinly veiled goal of the largest radio group owners reinforcing and seeking to maintain their dominant position in the market by denying smaller broadcasters an opportunity to use technology to level the playing field.

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<sup>6</sup> “How to Launch a Radio Ad Campaign With iHeart AdBuilder,” iHeart AdBuilder (emphasis added), available at <https://www.iheartadbuilder.com/blog/how-launch-radio-ad-campaign-iheart-adbuilder>. While iHeart AdBuilder uses an automated process to select certain stations on which an ad will be played, advertisers also have the opportunity to hand pick the iHeart station where their ad will be played by contacting the individual station directly.

<sup>7</sup> These metrics include both AM and FM stations, as iHeart AdBuilder targets advertisements across both its AM and FM stations.

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It should be noted that the geo-targeting technology offered by the iHeart AdBuilder platform differs from the use of geo-targeting at the zone level achieved using FM boosters. iHeart's solution offers different content within a radio market defined by an iHeart station's footprint whereas FM booster targeting offers different content within a radio market as defined by where the booster is installed. Both solutions imply more targeted ad spend by allowing advertisers to address their targeted audience while increasing overall revenue to the broadcaster. Both large stations and smaller broadcasters accomplishing this by use of boosters will benefit by running different ads in the same avail.<sup>8</sup>

While iHeart uses a crude form of geo-targeting, smaller broadcasters do not own multiple stations in a market and across the country and thus cannot offer similar advertising opportunities given the current FCC rules. Furthermore, because iHeart owns so many stations and dominates so many markets (150 out of 253), the same economic benefits that iHeart may gain by geo-targeting content apply just the same to a smaller broadcaster's targeting of content to a zone within their market. Both circumstances demonstrate the way that advertisers respond to options for geo-targeting their content and the ways that broadcasters can strategically address differences in demand for spots across zones. For these reasons, iHeart's development of iHeart AdBuilder actually *supports* the argument that GeoBroadcast and others have made in the docket: geo-targeted content could create positive economic outcomes for broadcasters. However, the opposition to this technological rule change suggests that iHeart, as the dominant player in more than 60% of the country wishes to keep those economic benefits to itself.

Consider the rhetoric in this proceeding against actual behavior in the market. iHeart has claimed that "the ability to geo-target content may provide larger stations with a new and unjustified competitive advantage against smaller stations, including minority or women owned stations."<sup>9</sup> This baseless claim has been rebutted by the scores of minority broadcaster and civil rights groups supporting the rule change, as well as by recent ex parte letter and op-ed by Dr. Ben Chavis.<sup>10</sup> Moreover, the Commission should examine iHeart's behavior in which it takes advantage of its multiple stations ownership in +60% of U.S. radio markets to offer advertisers

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<sup>8</sup> Reply Comments of GeoBroadcast Solutions, LLC, *Amendment of Section 74.1231 (i) of the Commission's Rules on FM Broadcast Booster Station*, MB Docket No. 20-401, RM-11854 (Mar. 12, 2021), at 24 ("GeoBroadcast Reply Comments") (geo-targeting content generates additional revenue for the media company).

<sup>9</sup> iHeart Reply Comments at 23 *quoting* Comments of Urban One, Inc., Davis Broadcasting Inc., Ohana Media Group, LLC, and Riverfront Broadcasting LLC, *Amendment of Section 74.1231 (i) of the Commission's Rules on FM Broadcast Booster Station*, MB Docket No. 20-401, RM-11854 (Feb. 10, 2021), at 5 ("Urban One et al. Comments").

<sup>10</sup> See Ex parte Letter of the National Newspaper Publishers Association (NNPA), *Amendment of Section 74.1231 (i) of the Commission's Rules on FM Broadcast Booster Station*, MB Docket No. 20-401, RM-11854 (Nov. 14, 2021); Benjamin F. Chavis Jr., "VOICES: FCC Should Adopt Rule Change Empowering Minority-Owned Media Businesses," *The Atlanta Voice* (Dec. 17, 2021), available at: <https://theatlantavoices.com/voices-fcc-should-adopt-rule-change-empowering-minority-owned-media-businesses/>.

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the ability to geo-target content — exactly what it seeks to deny to smaller radio broadcasters. In short, it appears that iHeart embraces the benefits of geo-targeted content (but only for itself).

In closing, we suggest that the FCC should enable all broadcasters — not just those with a huge number of radio stations — to offer geo-targeted content to advertisers and also to their audiences. The potential economic benefits and marketplace dynamics that geo-targeted radio content could create have been set out already, but to recap:

- *Win-win for both broadcasters and advertisers.* iHeart has claimed that “[w]ith premium ‘Gold Coast’ zones being sought after and cherry-picked by advertisers, the remaining zones would be significantly underutilized, to the detriment of the residents of undervalued neighborhoods and the stations that serve them.”<sup>11</sup> First, as GeoBroadcast has previously pointed out, providing advertisers options of whether to purchase DMA-wide ads or geo-targeted ads may in fact attract greater revenue for broadcasters.<sup>12</sup> Second, as GeoBroadcast has previously pointed out as well, the most useful metric for determining the economic impact of geo-targeting content is not the price of an individual spot, but overall revenue generated by the station’s inventory.<sup>13</sup> Furthermore, to the extent that prices differ between zones, broadcasters have ample strategies at their disposal to mitigate any overall economic losses or a surplus of spots, such as setting the floor for the budget of a particular ad purchase. For example, iHeart AdBuilder requires users to select a budget and target region for an ad, rather than the number of spots that they will purchase, and it adjusts the number of impressions to account for such price differences.
- *Localism is advanced and public interest benefits abound.* As documented in the opening page of this filing, TV viewers are quite interested in the potential for locally relevant TV content that is made possible by the FCC’s rule change in 2017 to allow broadcasters on a *voluntary basis* to deploy ATSC 3.0. Why does anyone think that radio listeners also do not want locally relevant news, weather, emergency alerts, and ads? Radio broadcasters simply want the opportunity to offer locally relevant content just as their TV brethren are doing today. The potential for geo-targeting of content on TV is just beginning, and some stations are using the technology in innovative ways.<sup>14</sup> With adoption of this rule

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<sup>11</sup> Comments of Beasley Media Group, LLC, Cumulus Media New Holdings Inc., Entercom Communications, Corp., iHeartCommunications, Inc., New York Public Radio, Salem Media Group, Inc., *Amendment of Section 74.1231 (i) of the Commission's Rules on FM Broadcast Booster Station*, MB Docket No. 20-401, RM-11854 (Feb. 10, 2021), at 25 (“iHeart Comments”).

<sup>12</sup> GeoBroadcast Reply Comments at 21.

<sup>13</sup> GeoBroadcast Reply Comments at 23.

<sup>14</sup> For example, Gray’s WCTV, which is based in Tallahassee, FL but also serves areas in Georgia, is developing and testing the ability to target news content based on the viewer’s location. Andrew Heyward, “When will hyperlocal targeting come to TV news? It already has.” *Knight-Cronkite News LAB* (Aug. 26, 2021), available at: <https://cronkitenewslab.com/digital/2021/08/26/gray-tv-app-hyperlocal-targeting/>. Transitioned

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change by the Commission, radio broadcasters look forward to using their unique medium to explore new ways to connect with their audiences and tie them more closely to the community.

- *Voluntary technology does not harm non-participants.* Opponents of the rule change have argued that “the ability to geo-target content may provide larger stations with a new and unjustified competitive advantage against smaller stations . . . [because] [l]arger stations may be better able to take advantage of the potential opportunities geo-targeting can offer.”<sup>15</sup> Not only is this argument based on an unsubstantiated assumption that smaller broadcasters are not interested in geo-targeting their content, it assumes that the ability to geo-target, or the location where an ad is broadcasted, is the only factor that is important to advertisers. But as the iHeart AdBuilder platform points out, location is not the only factor advertisers considers in buying an ad -- they may consider factors such as the “customer profile” of a station’s listener as well. For example, even if a particular station chooses not to offer geo-targeting, it is likely to continue to attract advertisers based on the content and audience of the station, which may include listeners of a certain age group, family status, or religious affiliation. Furthermore, as GeoBroadcast has pointed out throughout this proceeding, if the proposed rules are adopted, any change in a broadcaster’s operations would be voluntary. Broadcasters can decide for themselves if providing geo-targeted content is economically beneficial. The proposed rule would simply create an opportunity to do so, leveling the playing field with dominant players in the market such as iHeart.

We hope that this information is helpful to the Commission in considering how the current industry landscape could be impacted by the proposed rule, and the potential economic opportunities that it may unlock for broadcasters and small and minority businesses alike.

Sincerely,

/s/

Gerard J. Waldron  
*Counsel to GeoBroadcast Solutions,  
LLC*

cc: Albert Shuldiner, James Bradshaw, Holly Saurer, Ben Arden, Diane Holland, and Adam Cassady

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[markets are already starting to see the benefits that NextGen TV offers, including hyperlocal programming.](#)

<sup>15</sup> iHeart Reply Comments at iii *quoting* Urban One et al. Comments.